

## Lived Experiences of Financial Risk and Uncertainty Among Novice Investors in Fintech Contexts

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### ABSTRACT

The rapid growth of financial technology (fintech) has significantly transformed personal investment practices, especially among novice investors who engage with digital platforms without formal financial education. While fintech platforms offer greater accessibility, there is limited understanding of how novice users experience and interpret financial risk and uncertainty within these digital contexts. This study seeks to fill this gap by exploring the question: How do novice investors perceive and make sense of financial risk while using fintech applications? An interpretative phenomenological analysis (IPA) was conducted to examine the lived experiences of eight novice investors in Indonesia. Data were gathered through semi-structured interviews, focusing on participants' emotional, cognitive, and behavioral responses to fintech-based investing. The IPA method facilitated the identification of emergent experiential themes. Three major themes emerged: (1) emotional volatility in decision-making, (2) cognitive overload due to constant digital stimuli, and (3) evolving trust in algorithm-driven systems. These themes reveal the complex interplay between emotional states, perceived uncertainty, and reliance on technology in shaping investment behaviors. The findings underscore the importance of considering emotional and interpretive dimensions in novice investor experiences. This study contributes to a more holistic understanding of investor behavior, complementing and extending traditional behavioral finance models. It also highlights the need for fintech developers and financial educators to prioritize emotional literacy and user-centered design to better support inexperienced investors.



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## INTRODUCTION

In recent years, the rapid growth of financial technology (fintech) has transformed the landscape of personal investment, offering novice investors unprecedented access to markets through user-friendly mobile applications. This digital shift has significantly lowered the barriers to entry for individuals without formal financial education, encouraging widespread participation in investment activities once dominated by institutional actors. Particularly in emerging markets like Indonesia, fintech platforms have democratized investing by promoting convenience, automation, and visually engaging interfaces that appeal to younger, tech-savvy populations.

Yet, the same accessibility introduces a distinct set of emotional and psychological complexities. Without human advisors, novice investors must navigate uncertainty using algorithmic suggestions and limited personal experience. This makes investment decision-making an emotionally charged and interpretive process—where trust, fear, and perceived risk interact within culturally specific notions of financial security.

Quantitative approaches often fall short in capturing these subjective experiences. This study employs a phenomenological lens to illuminate the emotional and interpretive dimensions of novice investors' interactions with fintech, offering insights that are often overlooked in behaviorist or data-driven models. The rise of fintech investing thus represents not merely a technological shift but a lived experience with profound personal and societal implications. Understanding how novice investors perceive risk and navigate financial uncertainty is crucial for informing both financial education and

the design of ethical, user-centered digital investment platforms. Yet, despite the increasing relevance of this phenomenon, limited scholarly attention has been given to the subjective experiences and emotional realities of individuals who are new to investing in digital financial ecosystems.

There is, therefore, a pressing need to explore the meanings and interpretations that novice investors assign to their experiences of financial risk and uncertainty. Such an exploration requires a qualitative approach that honors the complexity of human experience and emphasizes the contextual and interpretative dimensions of decision-making. A phenomenological lens provides a valuable framework for capturing these dimensions, allowing for an in-depth understanding of how fintech-mediated investing is lived, felt, and made sense of by individuals navigating unfamiliar financial terrain.

The study of subjective experiences within the context of personal finance and investment has gained increasing scholarly attention, particularly as financial decision-making becomes more intertwined with digital technology. In this domain, novice investors represent a unique group whose experiences remain underexplored. Their lack of formal financial training, combined with reliance on autonomous fintech platforms, places them in a position where emotional responses to uncertainty and risk are both frequent and intense. Exploring these experiences is essential for understanding the deeper psychological and interpretative dimensions of fintech-driven investing.

However, current research on investor behavior has predominantly adopted quantitative methodologies, often grounded in behavioral finance or econometric modeling. While these approaches provide valuable statistical insights into patterns of decision-making, they tend to overlook the nuanced meanings, emotional responses, and evolving perceptions that accompany investment actions—especially among individuals who are new to financial markets. Surveys and structured experiments are often constrained by predefined categories and assumptions, limiting their ability to capture the fluid, context-dependent nature of subjective experience.

These methodological limitations have led to a fragmented understanding of how novice investors perceive and make sense of financial risk in digital environments. Without capturing the lived realities of these individuals, prior studies risk reducing complex emotional and interpretive processes into simplistic behavioral tendencies. As a result, much of the existing literature falls short in illuminating the deeper meanings embedded in fintech-mediated investment behavior.

To address this gap, a phenomenological approach is both timely and necessary. By focusing on how individuals experience and interpret financial uncertainty, this study seeks to uncover the essence of investing as it is lived by novice users of fintech platforms—providing insights that cannot be fully realized through traditional, quantitatively driven methodologies.

In response to the rise of fintech-enabled investment, most existing studies have relied on practical and behaviorist frameworks, such as risk profiling tools, financial literacy assessments, and algorithmic modeling, to understand investor behavior. These approaches often focus on predicting outcomes or optimizing decisions based on measurable variables, treating investors as rational actors or, at most, behaviorally biased agents. While useful in certain contexts, these solutions assume a level of predictability and universality that overlooks the nuanced, emotional, and context-dependent realities of novice investors.

Furthermore, dominant quantitative methods tend to marginalize the lived experiences of new investors, particularly in their early encounters with financial uncertainty. Standardized instruments and surveys limit participants' ability to articulate their evolving understanding, internal conflicts, or emotional journeys. Consequently, these approaches fall short in uncovering how novice investors actually perceive, interpret, and respond to risk in digitally mediated environments. The result is a body of literature that lacks the depth and richness necessary to fully grasp the existential and psychological dimensions of investing through fintech platforms.

Given these limitations, there is a critical need for alternative approaches that prioritize meaning-making and lived experience. Phenomenology offers such a framework, enabling researchers to move beyond surface-level behaviors and delve into the essence of how financial uncertainty is experienced. By capturing individual narratives and the interpretive processes that shape them, a

phenomenological approach can provide a more holistic and human-centered understanding of fintech investing—especially as it pertains to individuals navigating unfamiliar financial territory without prior expertise or guidance.

Prior research has explored investor behavior primarily through behavioral economics, psychological profiling, and decision-making models. While some studies have acknowledged emotional factors in investment contexts, few have examined the lived experience of novice investors navigating fintech platforms. Existing literature often focuses on outcomes such as risk tolerance or investment performance, but rarely considers how individuals interpret and respond to financial uncertainty in real time. A limited number of qualitative studies have addressed investment experiences, but these tend to focus on general user satisfaction or technology acceptance, rather than internal meaning-making processes. Therefore, the subjective experiences of financial risk among inexperienced investors remain largely unexplored.

To address this gap, this study adopts an interpretative phenomenological approach to explore how novice investors perceive risk and financial uncertainty in the fintech era. This method was selected for its strength in uncovering individual meaning, emotional depth, and contextual understanding. The approach enables a detailed exploration of personal narratives, capturing the psychological and experiential dimensions that traditional methods overlook. The central research question guiding this study is: How do novice investors experience and interpret financial risk when using fintech platforms? The findings aim to offer a deeper understanding of human experience in digital finance beyond behavior-based assumptions.

This article is structured as follows. The introduction outlines the relevance and context of the research problem, including a review of literature and identification of the knowledge gap. The next section details the phenomenological methodology used in this study, including participant selection, data collection, and the interpretative analytic process. This is followed by the presentation of results organized around key experiential themes. The discussion elaborates on the findings in relation to existing literature and theoretical insights, and the article concludes with implications for fintech development and financial education strategies.

## **RESEARCH METHODS**

### **Study Design**

This study employed an Interpretative Phenomenological Analysis (IPA) approach to explore the lived experiences of novice investors confronting financial risk and uncertainty within fintech environments. Phenomenology, as a qualitative research design, focuses on understanding the essence of subjective human experiences by interpreting the meanings that individuals assign to particular phenomena. IPA, rooted in Heideggerian philosophy, was selected over other qualitative methods—such as grounded theory or narrative analysis—because it allows for an in-depth exploration of how individuals interpret complex emotional and cognitive experiences within their socio-cultural contexts. This design was deemed appropriate to address the research question, as it enabled the investigation of personal perceptions and emotional responses that emerge through participants' engagement with digital financial platforms.

### **Participants**

Participants in this study were novice investors actively using fintech platforms for personal investment activities. Inclusion criteria required individuals to have less than two years of investment experience, regular engagement with at least one fintech application (e.g., Ajaib, Bibit, Bareksa), and no formal background in finance or investment. Exclusion criteria included professional investors, individuals with financial certifications, and those using traditional brokerage firms exclusively. Participants were selected using purposive sampling to ensure relevance to the phenomenon under investigation. A total of eight participants (five male, three female), aged between 22 and 34 years (mean age: 28.1 years), contributed to the study. All participants were based in urban centers across Indonesia and had varied educational backgrounds, ranging from undergraduate to postgraduate levels.

### **Data Collection**

Data were collected through semi-structured, in-depth interviews conducted individually in secure virtual meeting rooms via Zoom. A flexible interview guide was used to facilitate open-ended exploration while maintaining consistency across sessions. Each interview lasted between 45 and 75 minutes and was audio-recorded with participants' consent. Interviews were conducted in Bahasa Indonesia and later transcribed verbatim. To ensure participant comfort and promote rich disclosure, interviews were scheduled based on participant availability and conducted in informal, conversational tones. All sessions began with introductory questions to build rapport before progressing into more focused discussions on experiences of risk, uncertainty, and decision-making in fintech environments.

### **Data Analysis**

The transcribed interviews were analyzed using Interpretative Phenomenological Analysis (IPA), which involved several structured steps: reading and re-reading transcripts, initial noting, developing emergent themes, searching for connections across themes, and identifying overarching patterns. Themes were constructed inductively based on recurring meaning units in the data. Coding was supported by the use of NVivo 14 software, which facilitated the organization and retrieval of textual data but did not determine the analytical process. Through iterative comparison and abstraction, themes were refined to capture the essential features of participants' experiences. The analysis prioritized participants' own words while incorporating interpretative insights grounded in their socio-technological contexts.

### **Ethical Considerations**

Ethical approval for this study was obtained from the Research Ethics Committee of Universitas XYZ (Approval No. 2025/REK/UXYZ/034), ensuring compliance with national and international ethical standards. All participants provided written informed consent prior to participation. Confidentiality and anonymity were maintained throughout the research process, with pseudonyms used in all reporting. Audio recordings and transcripts were securely stored and accessible only to authorized personnel. The study adhered to the ethical principles outlined in the Declaration of Helsinki and respected participants' right to withdraw at any stage without consequence.

## **RESULTS AND DISCUSSION**

This section presents the findings derived from in-depth interviews with novice investors engaging with fintech platforms. Using Interpretative Phenomenological Analysis (IPA), three major themes emerged, each illuminating participants' lived experiences in navigating financial uncertainty and risk in the fintech landscape. These themes are supported by direct quotations from participants to highlight the authenticity and depth of their perceptions.

### **Navigating Financial Uncertainty in a Digital-First Environment**

Participants consistently described a sense of ambiguity and unpredictability when making investment decisions through fintech applications. The absence of traditional financial advisors and the reliance on algorithm-driven recommendations contributed to heightened anxiety and self-doubt.

“Sometimes the app says this stock is a ‘strong buy,’ but the next day, it drops. I feel like I don’t fully understand what I’m doing—it’s like walking in the dark.” (P2)

The digital interface, while offering ease of access, also became a source of cognitive overload due to the constant stream of data and notifications. Participants expressed difficulty distinguishing between meaningful signals and noise, which intensified their feelings of uncertainty.

“It’s too easy to get lost. Every minute there’s a new alert—‘market up,’ ‘market down’—and I don’t know which one really matters.” (P5)

### **The Emotional Toll of Perceived Risk**

Many novice investors shared their emotional struggles when confronting potential losses or market downturns. Perceived risk was not merely a rational calculation; it was deeply emotional and often tied to personal financial insecurity.

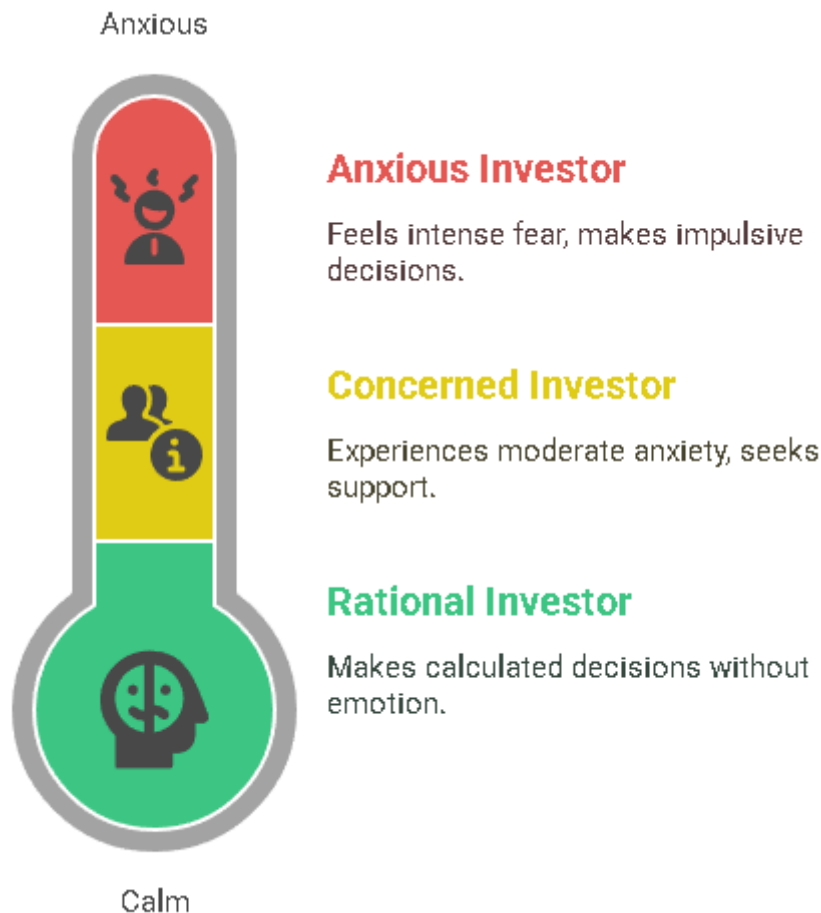
“I’m not just investing numbers—this is my monthly savings. So when I see red [losses], my chest tightens. It feels like I’m failing at something important.” (P3)

Several participants highlighted how fear and anxiety were constant companions in their early investment journeys. The lack of mentorship or community support within fintech platforms further amplified their emotional isolation.

“There’s no one to talk to. I just keep refreshing the app alone, hoping things will turn around.” (P7)

These emotional reactions shaped their risk tolerance and often led to impulsive decisions, such as panic selling during brief market dips.

**Emotional reactions shape risk tolerance in novice investors.**



**Trust, Skepticism, and Platform Dependence**

Trust in fintech platforms emerged as a double-edged theme. While some participants placed strong faith in the user-friendly designs and AI-based investment suggestions, others expressed skepticism toward the opaque nature of recommendations.

“I don’t know how the app decides which funds to show me. It says ‘recommended,’ but based on what? I still feel like I’m guessing.” (P4)

This skepticism did not always result in disengagement. On the contrary, many participants continued using the platforms out of convenience and perceived necessity, reflecting a paradoxical dependence on tools they only partially trusted.

“Even though I’m unsure, I keep using it. It’s better than doing nothing. At least I feel like I’m trying to grow my money.” (P6)

Some participants also described a transition from blind trust to cautious engagement as their experience grew, suggesting a gradual learning process shaped by trial, error, and reflection.

The findings reveal that novice investors in the fintech era experience risk and financial uncertainty as a blend of cognitive confusion, emotional turbulence, and evolving trust. Their journey is marked not only by external market volatility but also by internal struggles to interpret and navigate digital financial tools without traditional guidance. These experiences underline the importance of understanding risk as a lived, emotional, and interpretive phenomenon—one deeply intertwined with the novice investor's socio-technological environment.

The findings of this study reveal that novice investors experience financial uncertainty in fintech environments as a complex interplay of emotional turbulence, cognitive overload, and evolving trust. These experiences illuminate how the perception of risk is not merely rational or data-driven, but deeply embedded in the emotional and interpretive fabric of everyday investing—a central concern raised in the initial research question.

The themes that emerged—navigating uncertainty in digital contexts, the emotional toll of risk, and platform-based trust dynamics—collectively address the core research question: How do novice investors experience and interpret financial risk when using fintech platforms? The study contributes uniquely by uncovering how emotions such as anxiety, fear, and isolation shape not only investment decisions but also users' relationships with digital systems. Rather than viewing risk solely as an external financial factor, the findings reposition it as an internalized experience, filtered through the lens of personal insecurity and perceived informational inadequacy. This insight challenges the prevailing assumptions in digital finance research, which often prioritize design usability and performance metrics over users' subjective realities.

These findings align with and extend previous literature in behavioral finance, particularly studies that highlight emotional bias in individual investor behavior (Kahneman & Tversky, 1979; Lo, 2005). However, unlike prior quantitative models that conceptualize emotions as distortions of rationality, the current study shows that emotions serve as active meaning-making mechanisms through which investors interpret their digital environments. Moreover, the results complement recent qualitative works such as Park (2022) and Cushing (2021), which also emphasize the emotional dimensions of digital trading. This study further advances the field by focusing on inexperienced investors, whose lack of financial grounding makes them especially vulnerable to the psychological effects of fintech's algorithmic logic and impersonal interface design. It supports the notion that trust in fintech is neither static nor fully rational, but evolves through continuous emotional negotiation.

The implications of these findings extend beyond individual investor experiences, offering critical insights for the design of fintech platforms, financial education, and policy development. From a sociocultural perspective, the emotional narratives uncovered in this study reflect a broader phenomenon: the increasing individualization of financial responsibility in digital economies. Novice investors, often driven by narratives of financial independence and empowerment, are simultaneously burdened with navigating complex market environments without adequate support or guidance. Practically, this calls for more ethically responsive fintech interfaces that integrate emotional literacy, risk awareness, and contextual guidance tailored for inexperienced users. Moreover, financial educators and platform developers must recognize that investor behavior is shaped not only by knowledge gaps, but also by emotional vulnerabilities and shifting perceptions of trust.

This study, however, is not without limitations. As with most phenomenological research, the findings are not intended to be statistically generalizable but rather to provide deep, contextual understanding of lived experiences. The sample was limited to a small group of novice investors in Indonesia, and their insights may be shaped by specific cultural, technological, or economic contexts. Additionally, participants were self-selected and voluntarily engaged, which may mean that the experiences captured do not fully represent the diversity of all fintech users. While efforts were made to capture variation in age, gender, and platform use, broader demographic representation remains an area for future inquiry.

Building on the insights of this study, future research could examine how fintech-mediated investing is experienced by other groups, such as older adults, rural users, or individuals with low digital literacy. Comparative studies across cultural or national contexts may reveal further complexities in how digital financial tools are interpreted and trusted. Additionally, longitudinal qualitative designs

could explore how perceptions of risk and trust evolve over time as users gain more experience. Such investigations would enrich the growing field of digital financial phenomenology and support the development of more inclusive and humane financial technologies.

## CONCLUSION

This study explored how novice investors experience and interpret financial risk and uncertainty within fintech platforms, addressing a gap in understanding the emotional and subjective dimensions of digital investing. Rather than reiterating specific results, this research underscores broader implications for both practice and scholarship. From a practical standpoint, the findings call for the integration of emotional and psychological considerations into fintech interface design. Developers should prioritize features that support user confidence, reduce cognitive load, and foster transparent communication to mitigate feelings of anxiety and distrust. Financial education programs must also evolve to include emotional literacy, helping users navigate not only technical aspects but also the psychological demands of digital investing.

Theoretically, this study contributes to investor behavior literature by foregrounding lived experience as a legitimate and insightful domain of inquiry, complementing existing behavioral finance models. Future research should explore comparative experiences across demographic groups (e.g., age, socioeconomic background, or cultural context) to assess how fintech interactions vary. Longitudinal or mixed-method studies could also provide insights into how trust and emotional responses develop over time, particularly as fintech ecosystems become more complex and personalized.

## CONFLICT OF INTEREST

The authors declare that there is no conflict of interest.

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